

FILED

IN THE UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

DEC 10 2014

U. S. DISTRICT COURT
EASTERN DISTRICT OF MO

UNITED STATES OF AMERICA,)
vs.)
Plaintiff,)
BRIAN PALUCH,)
Defendant.)

4:14CR393 ERW/DDN

INDICTMENT

THE GRAND JURY CHARGES:

COUNTS 1 - 3
MAIL FRAUD

A. INTRODUCTION

At all times relevant to the Indictment:

1. PARIC Corporation (“PARIC”) is a company in the business of providing general contracting, construction management, and design-build services. PARIC has its corporate offices originally located in O’Fallon, Missouri, and then in Westport Plaza, Maryland Heights, Missouri.

2. The defendant, **BRIAN PALUCH** (hereinafter referred to as “**PALUCH**”), was the Chief Financial Officer, and a Senior Vice President of PARIC, working out of PARIC’s corporate offices. **PALUCH** ran the day to day financial operations of PARIC. **PALUCH** had complete access to and authorization over the financial accounts and records of PARIC, including but not limited to bank statements and bank checks for the company’s operating and

payroll accounts. As part of his employment with PARIC, **PALUCH** was provided a corporate American Express credit card for his use to pay business expenses related to his work for PARIC. As Chief Financial Officer, **PALUCH** reviewed and approved the monthly American Express bills received by PARIC.

B. SCHEME TO DEFRAUD

3. Beginning on or about January 1, 2010 and continuing through on or about February 28, 2014, both dates being approximate and inclusive, in the Eastern District of Missouri and elsewhere, defendant,

BRIAN PALUCH,

devised, intended to devise, and knowingly participated in a scheme to defraud and obtain money from PARIC, in an approximate amount of \$150,000, by means of materially false and fraudulent pretenses, representations, and promises.

4. It was a part of the scheme that, on one and more occasions, defendant **PALUCH** used the PARIC issued American Express card to pay for personal expenses, including for personal travel, dining, spa charges, electronics, and personal gifts for family and friends. **PALUCH** caused those American Express personal charges to be paid by PARIC by providing the monthly American Express bills containing the personal charges to a PARIC employee and authorizing that employee to pay the bills through the American Express telephone bill paying system. In furtherance of his scheme, and in order to conceal his scheme, defendant **PALUCH** caused the American Express bills to be addressed and mailed by American Express to his attention at PARIC. Further, defendant **PALUCH** submitted false and altered monthly financial summaries of his American Express charges to PARIC, deleting and altering

his own personal charges. On one and more of the false and altered financial summaries, defendant **PALUCH** forged the signature of the President of PARIC as purported authorization for the false and altered charges contained on the financial summary. PARIC was unaware of **PALUCH**'s personal charges on the company's American Express account, and did not knowingly authorize the payment of those personal charges from PARIC's corporate bank account.

5. As part of his employment at PARIC, defendant **PALUCH** was authorized to join Sunset Country Club, and PARIC agreed to pay the monthly membership dues for the club. Defendant **PALUCH**, on behalf of PARIC, entered into an agreement with Sunset Country Club for the purchase of various types of apparel and other golf and gift items containing the PARIC corporate logo. On one and more occasions, defendant **PALUCH** inflated a Sunset Country Club invoice, falsely inflating the charges purportedly incurred for PARIC logo apparel and other items. Further, on one and more occasions, defendant **PALUCH** falsely created a sham Sunset Country Club invoice to include charges purportedly incurred for PARIC logo apparel and other items. In his position as Chief Financial Officer for PARIC, defendant **PALUCH** authorized payment of the false, sham and inflated Sunset Country Club invoices out of PARIC's corporate bank account without the knowledge and authority of PARIC. At defendant **PALUCH**'s direction, the funds paid to Sunset Country Club by PARIC in excess of the actual legitimate PARIC corporate charges were credited by Sunset Country Club to defendant **PALUCH**'s Sunset Country Club member account and used by defendant **PALUCH** to pay for personal items at the club unrelated to the legitimate business of PARIC.

6. In his position as Chief Financial Officer, defendant **PALUCH** was responsible for calculating the annual bonuses for PARIC's employees, including his own. As a further part of his scheme, on one and more occasions, defendant **PALUCH** inflated his base salary in calculating his own annual bonus, which resulted in one and more of **PALUCH**'s annual bonuses being falsely inflated, without the knowledge and authority of PARIC.

7. It was a further part of the scheme, that on one and more occasions, defendant **PALUCH** directed and authorized a PARIC employee to issue PARIC corporate checks to the employee's daughter's school to pay her daughter's tuition, without the knowledge and authorization of PARIC. Further, the PARIC employee, with defendant **PALUCH**'s knowledge, falsified PARIC accounting records to falsely reflect the tuition payments as PARIC "donations" to the school.

8. It was a further part of the scheme that, during Summer, 2011, defendant **PALUCH** authorized and directed the payment of \$5,000 in PARIC corporate funds to a St. Louis area law firm as an incentive for that law firm to hire defendant **PALUCH**'s niece as a summer associate. PARIC had no knowledge of this and did not authorize such payment for that purpose.

C. THE MAILINGS

9. On or about July 22, 2011, within the Eastern District of Missouri and elsewhere, the defendant,

BRIAN PALUCH,

for the purpose of executing and attempting to execute the above-described scheme to defraud, and to obtain money and in attempting to do so, knowingly caused to be delivered by the United

States Postal Service, according to the directions thereon, a legal bill to PARIC in the amount of \$5,000 purportedly for an “Agreed Upon Bonus”, but which charge was actually for the incentive payment promised by defendant **PALUCH** in exchange for the law firm hiring his niece as a summer associate, said legal bill being mailed from a law firm in Chesterfield, Missouri to PARIC in O’Fallon, Missouri.

10. On or about December 1, 2011, within the Eastern District of Missouri, and elsewhere, the defendant,

BRIAN PALUCH,

for the purpose of executing and attempting to execute the above-described scheme to defraud, and to obtain money and in attempting to do so, knowingly caused to be delivered by the United States Postal Service, according to the directions thereon, an American Express bill in the name of PARIC Corporation, which bill was addressed to defendant **PALUCH**’s attention at PARIC and which included one and more personal charges of defendant **PALUCH**, said bill being mailed from American Express to PARIC in O’Fallon, Missouri.

11. On or about December 1, 2013, within the Eastern District of Missouri, and elsewhere, the defendant,

BRIAN PALUCH,

for the purpose of executing and attempting to execute the above-described scheme to defraud, and to obtain money and in attempting to do so, knowingly caused to be delivered by the United States Postal Service, according to the directions thereon, an American Express bill in the name of PARIC Corporation, which bill was addressed to defendant **PALUCH**’s attention at PARIC and which included one and more personal charges of defendant **PALUCH**, said bill being

mailed from American Express to PARIC in Westport Plaza, Maryland Heights, Missouri.

All in violation of Title 18, United States Code, Section 1341.

A TRUE BILL.

FOREPERSON

RICHARD G. CALLAHAN
United States Attorney

HAL GOLDSMITH, 62501
Assistant United States Attorney